
HOUSE BILL No. 1294

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Filing extension for personal property tax returns. Extends the deadline for filing a personal property tax return by 30 days if the taxpayer gives notice of the extension to the township assessor.

Effective: July 1, 2001.

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January 9, 2001, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1294

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-3-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) Except as
3 provided in subsections (b) and (d), a taxpayer shall, on or before the
4 filing date of each year, file a personal property return with the assessor
5 of each township in which the taxpayer's personal property is subject
6 to assessment.

7 (b) The township assessor may grant a taxpayer a filing date for
8 filing the taxpayer's return is extended by thirty (30) day extension
9 to file the taxpayer's return days if (1) the taxpayer submits to the
10 township assessor a written application for an notice of extension
11 prior to before the filing date. and (2) the taxpayer is prevented from
12 filing a timely return because of sickness, absence from the county, or
13 any other good and sufficient reason.

14 (c) If the sum of the assessed values reported by a taxpayer on the
15 business personal property returns which the taxpayer files with the
16 township assessor for a year exceeds one hundred fifty thousand dollars
17 (\$150,000), the taxpayer shall file each of the returns in duplicate.

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(d) A taxpayer may file a consolidated return with the county assessor if the taxpayer has personal property subject to assessment in more than one (1) township in a county and the total assessed value of the personal property in the county is less than one million five hundred thousand dollars (\$1,500,000). A taxpayer filing a consolidated return shall attach a schedule listing, by township, all the taxpayer's personal property and the property's assessed value. A taxpayer filing a consolidated return is not required to file a personal property return with the assessor of each township. A taxpayer filing a consolidated return shall provide the following:

(1) The county assessor with the information necessary for the county assessor to allocate the assessed value of the taxpayer's personal property among the townships listed on the return, including the street address, the township, and the location of the property.

(2) A copy of the consolidated return, with attachments, for each township listed on the return.

(e) The county assessor shall provide to each affected township assessor in the county all information filed by a taxpayer under subsection (d) that affects the township. The county assessor shall provide the information before:

(1) May 25 of each year, for a return filed on or before the filing date for the return; or

(2) June 30 of each year, for a return filed after the filing date for the return.

(f) The township assessor shall send all required notifications to the taxpayer.

(g) The county assessor may refuse to accept a consolidated personal property tax return that does not have attached to it a schedule listing, by township, all the personal property of the taxpayer and the assessed value of the property as required under subsection (d). For purposes of IC 6-1.1-37-7, a consolidated return is filed on the date it is filed with the county assessor with the schedule of personal property and assessed value attached.

SECTION 2. IC 6-1.1-3-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7.5. (a) A taxpayer may file an amended personal property tax return, in conformity with the rules adopted by the state board of tax commissioners, not more than six (6) months after the later of the following:

(1) The filing date for the original personal property tax return, if the taxpayer ~~is does not granted take~~ an extension in which to file under section 7 of this chapter.

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(2) The extension date for the original personal property tax return, if the taxpayer ~~is granted~~ **takes** an extension under section 7 of this chapter.

(b) A tax adjustment related to an amended personal property tax return shall be made in conformity with rules adopted under IC 4-22-2 by the state board of tax commissioners.

SECTION 3. IC 6-1.1-12-28.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 28.5. (a) For purposes of this section:

"Hazardous waste" has the meaning set forth in IC 13-11-2-99(a) and includes a waste determined to be a hazardous waste under IC 13-22-2-3(b).

"Resource recovery system" means tangible property directly used to dispose of solid waste or hazardous waste by converting it into energy or other useful products.

"Solid waste" has the meaning set forth in IC 13-11-2-205(a) but does not include dead animals or any animal solid or semisolid wastes.

(b) Except as provided in this section, the owner of a resource recovery system is entitled to an annual deduction in an amount equal to ninety-five percent (95%) of the assessed value of the system if:

(1) the system was certified by the department of environmental management for the 1993 assessment year or a prior assessment year; and

(2) the owner filed a timely application for the deduction for the 1993 assessment year.

For purposes of this section, a system includes tangible property that replaced tangible property in the system after the certification by the department of environmental management.

(c) The owner of a resource recovery system that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of any violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based upon a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(d) The certification of a resource recovery system by the department of environmental management for the 1993 assessment year or a prior assessment year is valid through the 1997 assessment

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year so long as the property is used as a resource recovery system. If the property is no longer used for the purpose for which the property was used when the property was certified, the owner of the property shall notify the county auditor. However, the deduction from the assessed value of the system is:

- (1) ninety-five percent (95%) for the 1994 assessment year;
- (2) ninety percent (90%) for the 1995 assessment year;
- (3) seventy-five percent (75%) for the 1996 assessment year; and
- (4) sixty percent (60%) for the 1997 assessment year.

Notwithstanding this section as it existed before 1995, for the 1994 assessment year, the portion of any tangible property comprising a resource recovery system that was assessed and first deducted for the 1994 assessment year may not be deducted for property taxes first due and payable in 1995 or later.

(e) In order to qualify for a deduction under this section, the person who desires to claim the deduction must file an application with the county auditor after February 28 and before May 16 of the current assessment year unless the person has ~~been granted~~ **taken** an extension under IC 6-1.1-3-7. If the person has ~~been granted~~ **taken** an extension, the person must file the application after February 28 and before June 15 of the current assessment year. An application must be filed in each year for which the person desires to obtain the deduction. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. If the application is not filed before the applicable deadline under this subsection, the deduction is waived. The application must be filed on a form prescribed by the state board of tax commissioners. The application for a resource recovery system deduction must include:

- (1) a certification by the department of environmental management for the 1993 assessment year or a prior assessment year as described in subsection (d); or
- (2) the certification by the department of environmental management for the 1993 assessment year as described in subsection (g).

Beginning with the 1995 assessment year a person must also file an itemized list of all property on which a deduction is claimed. The list must include the date of purchase of the property and the cost to acquire the property.

(f) Before July 1, 1995, the department of environmental management shall transfer all the applications, records, or other material the department has with respect to resource recovery system deductions under this section for the 1993 and 1994 assessment years.

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1 The township assessor shall verify each deduction application filed
 2 under this section and the county auditor shall determine the deduction.
 3 The county auditor shall send to the state board of tax commissioners
 4 a copy of each deduction application. The county auditor shall notify
 5 the county property tax assessment board of appeals of all deductions
 6 allowed under this section. A denial of a deduction claimed under this
 7 subsection may be appealed as provided in IC 6-1.1-15. The appeal is
 8 limited to a review of a determination made by the township assessor
 9 or the county auditor.

10 (g) Notwithstanding subsection (d), the certification for the 1993
 11 assessment year of a resource recovery system in regard to which a
 12 political subdivision is liable for the payment of the property taxes
 13 remains valid at the ninety-five percent (95%) deduction level allowed
 14 before 1994 as long as the political subdivision remains liable for the
 15 payment of the property taxes on the system.

16 SECTION 4. IC 6-1.1-12-35 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 35. (a) Except as
 18 provided in section 36 of this chapter, a person who desires to claim the
 19 deduction provided by section 31, 33, or 34 of this chapter must file a
 20 certified statement in duplicate, on forms prescribed by the state board
 21 of tax commissioners, and proof of certification under subsection (b)
 22 with the auditor of the county in which the property for which the
 23 deduction is claimed is subject to assessment. Except as provided in
 24 subsection (e), with respect to property that is not assessed under
 25 IC 6-1.1-7, the person must file the statement between March 1 and
 26 May 10, inclusive, of the assessment year. The person must file the
 27 statement in each year for which he desires to obtain the deduction.
 28 With respect to a property which is assessed under IC 6-1.1-7, the
 29 person must file the statement between January 15 and March 31,
 30 inclusive, of each year for which he desires to obtain the deduction.
 31 The statement may be filed in person or by mail. If mailed, the mailing
 32 must be postmarked on or before the last day for filing. On verification
 33 of the statement by the assessor of the township in which the property
 34 for which the deduction is claimed is subject to assessment, the county
 35 auditor shall allow the deduction.

36 (b) The department of environmental management, upon application
 37 by a property owner, shall determine whether a system or device
 38 qualifies for a deduction provided by section 31, 33, or 34 of this
 39 chapter. If the department determines that a system or device qualifies
 40 for a deduction, it shall certify the system or device and provide proof
 41 of the certification to the property owner. The department shall
 42 prescribe the form and manner of the certification process required by



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1 this subsection.

2 (c) If the department of environmental management receives an
3 application for certification before April 10 of the assessment year, the
4 department shall determine whether the system or device qualifies for
5 a deduction before May 10 of the assessment year. If the department
6 fails to make a determination under this subsection before May 10 of
7 the assessment year, the system or device is considered certified.

8 (d) A denial of a deduction claimed under section 31, 33, or 34 of
9 this chapter may be appealed as provided in IC 6-1.1-15. The appeal is
10 limited to a review of a determination made by the township assessor,
11 county property tax assessment board of appeals, or state board of tax
12 commissioners.

13 (e) A person who timely files a personal property return under
14 IC 6-1.1-3-7(a) for an assessment year and who desires to claim the
15 deduction provided in section 31 of this chapter for property that is not
16 assessed under IC 6-1.1-7 must file the statement described in
17 subsection (a) between March 1 and May 15, inclusive, of that year. A
18 person who ~~obtains~~ **takes** a filing extension under IC 6-1.1-3-7(b) for
19 an assessment year must file the application between March 1 and June
20 14, inclusive, of that year.

21 SECTION 5. IC 6-1.1-12.1-5.5, AS AMENDED BY P.L.4-2000,
22 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2001]: Sec. 5.5. (a) A person that desires to obtain the
24 deduction provided by section 4.5 of this chapter must file a certified
25 deduction application on forms prescribed by the state board of tax
26 commissioners with:

- 27 (1) the auditor of the county in which the new manufacturing
28 equipment or new research and development equipment, or both,
29 is located; and
- 30 (2) the state board of tax commissioners.

31 A person that timely files a personal property return under
32 IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment
33 or new research and development equipment, or both, is installed must
34 file the application between March 1 and May 15 of that year. A person
35 that ~~obtains~~ **takes** a filing extension under IC 6-1.1-3-7(b) for the year
36 in which the new manufacturing equipment or new research and
37 development equipment, or both, is installed must file the application
38 between March 1 and June 14 of that year.

39 (b) The deduction application required by this section must contain
40 the following information:

- 41 (1) The name of the owner of the new manufacturing equipment
42 or new research and development equipment, or both.

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(2) A description of the new manufacturing equipment or new research and development equipment, or both.

(3) Proof of the date the new manufacturing equipment or new research and development equipment, or both, was installed.

(4) The amount of the deduction claimed for the first year of the deduction.

(c) This subsection applies to a deduction application with respect to new manufacturing equipment or new research and development equipment, or both, for which a statement of benefits was initially approved after April 30, 1991. If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body and the designating body shall adopt a resolution under section 4.5(h)(2) of this chapter.

(d) A deduction application must be filed under this section in the year in which the new manufacturing equipment or new research and development equipment, or both, is installed and in each of the immediately succeeding years the deduction is allowed.

(e) The state board of tax commissioners shall review and verify the correctness of each deduction application and shall notify the county auditor of the county in which the property is located that the deduction application is approved or denied or that the amount of the deduction is altered. Upon notification of approval of the deduction application or of alteration of the amount of the deduction, the county auditor shall make the deduction. The county auditor shall notify the county property tax assessment board of appeals of all deductions approved under this section.

(f) If the ownership of new manufacturing equipment or new research and development equipment, or both, changes, the deduction provided under section 4.5 of this chapter continues to apply to that equipment if the new owner:

(1) continues to use the equipment in compliance with any standards established under section 2(g) of this chapter; and

(2) files the deduction applications required by this section.

(g) The amount of the deduction is the percentage under section 4.5 of this chapter that would have applied if the ownership of the property had not changed multiplied by the assessed value of the equipment for the year the deduction is claimed by the new owner.

(h) If a person desires to initiate an appeal of the state board of tax commissioners' final determination, the person must do all of the following not more than forty-five (45) days after the state board of tax

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commissioners gives the person notice of the final determination:

- (1) File a written notice with the state board of tax commissioners informing the board of the person's intention to appeal.
- (2) File a complaint in the tax court.
- (3) Serve the attorney general and the county auditor with a copy of the complaint.

SECTION 6. IC 6-1.1-20.8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) A person that desires to claim the credit provided by section 1 of this chapter shall file a certified application, on forms prescribed by the state board of tax commissioners, with:

- (1) the auditor of the county where the property for which the credit is claimed was located on the assessment date; and
- (2) the state board of tax commissioners.

A person that timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year must file the application between March 1 and May 15 of that year in order to obtain the credit in the following year. A person that ~~obtains~~ **takes** a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and June 14 of that year in order to obtain the credit in the following year.

(b) A taxpayer shall include on an application filed under this section all information that the state board of tax commissioners requires to determine eligibility for the credit provided under this chapter.

(c) Compliance with this chapter does not exempt a person from compliance with IC 4-4-6.1-2.5.

SECTION 7. IC 6-1.1-37-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) If a person fails to file a required personal property return on or before the due date, the county auditor shall add a penalty of twenty-five dollars (\$25) to the person's next property tax installment. The county auditor shall also add an additional penalty to the taxes payable by the person if he fails to file the personal property return within thirty (30) days after the due date. The amount of the additional penalty is twenty percent (20%) of the taxes finally determined to be due with respect to the personal property which should have been reported on the return.

(b) For purposes of this section, a personal property return is not due until the expiration of any extension period ~~granted~~ **taken** by the ~~township assessor~~ **person** under IC 6-1.1-3-7(b).

(c) The penalties prescribed under this section do not apply to an individual or his dependents if he:

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(1) is in the military or naval forces of the United States on the assessment date; and

(2) is covered by the federal Soldiers' and Sailors' Civil Relief Act.

(d) If a person subject to IC 6-1.1-3-7(d) fails to include on a personal property return the information, if any, that the state board of tax commissioners requires under IC 6-1.1-3-9 or IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax installment next due for the return. The amount of the penalty is twenty-five dollars (\$25).

(e) If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the county auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation. The penalty shall be added to the property tax installment next due for the return on which the property was undervalued. If a person has complied with all of the requirements for claiming a deduction, an exemption, or an adjustment for abnormal obsolescence, then the increase in assessed value that results from a denial of the deduction, exemption, or adjustment for abnormal obsolescence is not considered to result from an undervaluation for purposes of this subsection.

(f) A penalty is due with an installment under subsection (a), (d), or (e) whether or not an appeal is filed under IC 6-1.1-15-5 with respect to the tax due on that installment.

SECTION 8. IC 6-1.1-40-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 11. (a) A person that desires to obtain the deduction provided by section 10 of this chapter must file a certified deduction application, on forms prescribed by the state board of tax commissioners, with:

(1) the auditor of the county in which the new manufacturing equipment and inventory is located; and

(2) the state board of tax commissioners.

A person that timely files a personal property return under IC 6-1.1-3-7(a) for the year in which the new manufacturing equipment is installed or the inventory is subject to assessment must file the application between March 1 and May 15 of that year. A person that ~~obtains~~ **takes** a filing extension under IC 6-1.1-3-7(b) for the year in which the new manufacturing equipment is installed or the inventory is subject to assessment must file the application between March 1 and

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1 June 14 of that year.

2 (b) The application required by this section must contain the
3 following information:

4 (1) The name of the owner of the new manufacturing equipment
5 and inventory.

6 (2) A description of the new manufacturing equipment and
7 inventory.

8 (3) Proof of the date the new manufacturing equipment was
9 installed.

10 (4) The amount of the deduction claimed for the first year of the
11 deduction.

12 (c) A deduction application must be filed under this section in the
13 year in which the new manufacturing equipment is installed or the
14 inventory is subject to assessment and in each of the immediately
15 succeeding nine (9) years.

16 (d) The state board of tax commissioners shall review and verify the
17 correctness of each application and shall notify the county auditor of
18 the county in which the property is located that the application is
19 approved or denied or that the amount of the deduction is altered. Upon
20 notification of approval of the application or of alteration of the amount
21 of the deduction, the county auditor shall make the deduction.

22 (e) If the ownership of new manufacturing equipment changes, the
23 deduction provided under section 10 of this chapter continues to apply
24 to that equipment if the new owner:

25 (1) continues to use the equipment in compliance with any
26 standards established under section 7(c) of this chapter; and

27 (2) files the applications required by this section.

28 (f) The amount of the deduction is:

29 (1) the percentage under section 10 of this chapter that would
30 have applied if the ownership of the property had not changed;
31 multiplied by

32 (2) the assessed value of the equipment for the year the deduction
33 is claimed by the new owner.

34 **SECTION 9. [EFFECTIVE JULY 1, 2001] (a) This act applies to**
35 **property taxes due and payable after December 31, 2002.**

36 **(b) This SECTION expires January 1, 2004.**

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